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	B	EFORE FEDERAL '	<b>FRADE COMMISS</b>	ION	
	In the Matter of				
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follows:1

- 1. Respondents deny each and every allegation of Paragraph 1 of the Complaint.
- 2. Admitted.
- 3. Admitted, except that the zip code for Dr. Deekens is 28655.

4. Respondents admit that PHA has facilitated contracting between its members and

payors. Respondents deny each and every remaining allegation of Paragraph 4 of the Complaint.

5. Admitted.

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7. Admitted.

8. Respondents lack knowledge and information sufficient to form a belief as to the

truth of the allegations of Paragraph 8 and, on that basis, deny such allegations

9. Respondents lack knowledge and information sufficient to form a belief as to the

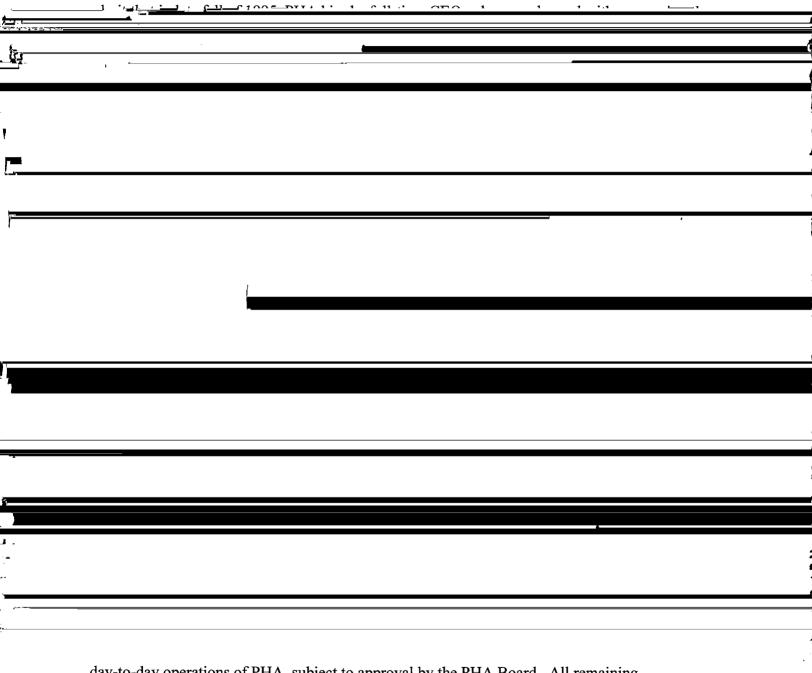
truth of the allocations of Paragraph Q of the Complaint and on that begin done each such

allegation.

12. Respondents lack knowledge and information sufficient to form a belief as to the truth of the allegations of Paragraph 12 of the Complaint and, on that basis, deny each such allegation.

13. Respondents lack knowledge and information sufficient to form a belief as to the truth of the allegations of the first sentence in Paragraph 13 of the Complaint and, on that basis, deny each such allegation. Respondents deny each and every remaining allegation in Paragraph 13 of the Complaint.

14. Respondents PHA, Dillon, Guttler, Harvey, Rosenfeld and Young admit that in 1993 the Chief Executive Officer ("CEO") of Frye Regional Medical Center, Inc. ("Frye"), formulated a plan to create a PHO that would include Frye and physicians who practiced at Frye. 16. Respondents PHA, Dillon, Guttler, Harvey, Kessel, Rosenfeld and Young admitthat in 1994, PHA was incorporated and its shareholders elected a Board of Directors, composedof physician and hospital representatives from the PHA membership. These same Respondents



day-to-day operations of PHA, subject to approval by the PHA Board. All remaining Respondents lack knowledge and information sufficient to form a belief as to the truth of these allegations and, on that basis, deny each such allegation. All Respondents lack knowledge and information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 16

	20. Respondents PHA, Dillon, Guttler, Harvey, Rosenfeld and Young admit that PHA
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	Respondents lack knowledge and information sufficient to form a belief as to the truth of these
	Allocations and on that hasis dange goek much allocation All Desnandants admit that the
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20. Respondents PHA, Dillon, Guttler, Harvey, Rosenfeld and Young admit that PHA

	directors and two of the three hospital shareholders is required for actions requiring a super-
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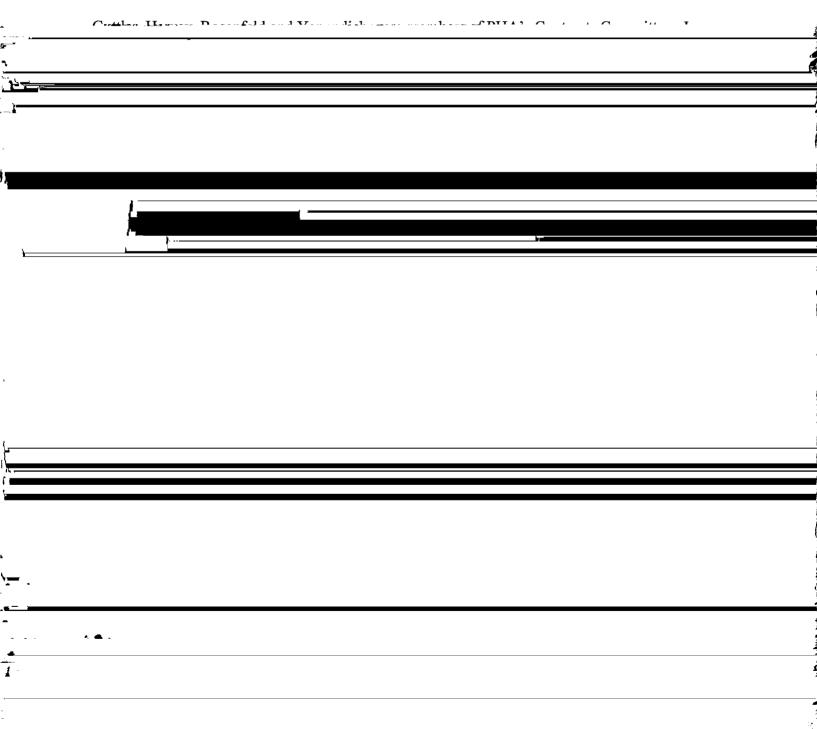
	?? Perpendents admit that in Eehruary 20	01 DUA's Doord voted to adopt a	1
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members of the PHA Board. In that capacity, the Physician Respondents admit that they participated in decisions of the PHA Board, which included whether or not to sign certain payor contracts, terminate certain payor contracts, and approve the development or use of certain fee schedules used in certain payor contracts. Respondents deny each and every remaining allegation of Paragraph 34 of the Complaint.

35. Respondents PHA, Guttler, Harvey, Rosenfeld and Yapundich admit that Drs.



## that capacity, prior to 2001, Respondents PHA, Guttler, Harvey, Rosenfeld and Yapundich admit

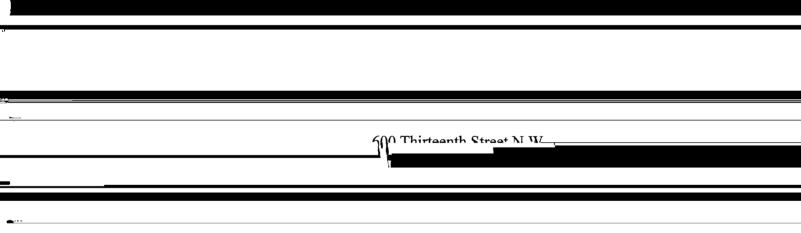
Dated: January 20, 2004

Respectfully submitted,

Mechol R. 1H= By:

James H. Sneed

Linda M. Holleran



Washington, D.C. 20002 Tel: (202) 756-8000 Fax: (202)756-8855 Email: Jsneed@mwe.com; NKoberstein@mwe.com; Lholleran@mwe.com.

ATTORNEYS FOR RESPONDENTS

## **CERTIFICATE OF SERVICE**

I, Linda M. Holleran, hereby certify that on January 20, 2004:

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I caused a copy of Answer of Respondents Piedmont Health Alliance, Inc., et al., to Complaint of Federal Trade Commission to be served via facsimile transmission and followed by U.S. mail delivery to the following person:

Jeffrey Brennan, Esq. Assistant Director Health Care Services & Products Bureau of Competition Federal Trade Commission 601 New Jersey Avenue, N.W. Washington D.C. 20580

inda Holleran

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